

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

MAR 11 2004

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

E-01787A  
Navopache Electric Cooperative, Inc.  
P. O. Box 308  
Lakeside AZ 85929-0000

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2003
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FOR COMMISSION USE

ANN 0	03
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## COMPANY INFORMATION

**Company Name (Business Name)** NAVOPACHE ELECTRIC COOPERATIVE, INC.

**Mailing Address** 1878 W WHITE MOUNTAIN BLVD

(Street)

LAKESIDE

(City)

ARIZONA

(State)

85929

(Zip)

(928) 368-5118

Telephone No. (Include Area Code)

(928) 368-6038

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** podair@navopache.org

**Local Office Mailing Address** 1878 W WHITE MOUNTAIN BLVD

(Street)

LAKESIDE

(City)

ARIZONA

(State)

85929

(Zip)

(928) 368-5118

Local Office Telephone No. (Include Area Code)

(928) 368-6038

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address**

## MANAGEMENT INFORMATION

**Management Contact:** PAUL O'DAIR MANAGER OF FINANCIAL SERVICES

(Name)

(Title)

1878 W WHITE MOUNTAIN BLVD, LAKESIDE, ARIZONA 85929

(Street)

(City)

(State)

(Zip)

(928) 368-5118 ext. 206

Telephone No. (Include Area Code)

(28) 368-6038

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** podair@navopache.org

**On Site Manager:** WAYNE A. RETZLAFF

(Name)

1878 W WHITE MOUNTAIN BLVD, LAKESIDE, ARIZONA 85929

(Street)

(City)

(State)

(Zip)

(928) 368-5118

Telephone No. (Include Area Code)

(928) 368-6038

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** wretzlaff@navopache.org

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** MARILYNN SHORT

(Name)

1878 W WHITE MOUNTAIN BLVD, LAKESIDE, ARIZONA 85929

(Street)

(City)

(State)

(Zip)

(928) 368-5118

Telephone No. (Include Area Code)

(928) 368-6038

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** MARTINEZ & CURTIS PC

(Name)

2717 N SEVENTH STREET, PHOENIX, ARIZONA 85006

(Street)

(City)

(State)

(Zip)

(602) 248-0372

Telephone No. (Include Area Code)

(602) 266-8290

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☒ Other (Describe) CORPORATION - ELECTRIC COOPERATIVE

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☒ APACHE

☐ COCHISE

☐ COCONINO

☒ GILA

☐ GRAHAM

☒ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

## SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☒ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
  - ☐ Transmission Service Provider
  - ☐ Meter Service Provider
  - ☐ Meter Reading Service Provider
  - ☐ Billing and Collection
  - ☐ Ancillary Services
  - ☐ Generation Provider
  - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other** (Specify) \_\_\_\_\_

## STATISTICAL INFORMATION

### TELECOMMUNICATION UTILITIES ONLY

Total residential access lines	_____
Total business access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

## STATISTICAL INFORMATION (CONT'D)

### ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	32,746
Residential	29,559
Commercial	3,106
Industrial	5
Public street and highway lighting	23
Irrigation	53
Resale	
Total kilowatt-hours sold	344,710,031 kWh
Residential	179,734,713
Commercial	124,711,154
Industrial	32,954,801
Public street and highway lighting	881,047
Irrigation	6,428,316
Resale	
Maximum Peak Load	64,599 MW

### GAS UTILITIES ONLY

Total number of customers	
Residential	
Commercial	
Industrial	
Irrigation	
Resale	
Total therms sold	therms
Residential	
Commercial	
Industrial	
Irrigation	
Resale	

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

MAR 11 2004

**VERIFICATION**

STATE OF ARIZONA

**I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME) NAVAJO
NAME (OWNER OR OFFICIAL) TITLE PAUL O'DAIR MANAGER OF FINANCIAL SERVICES
COMPANY NAME NAVOPACHE ELECTRIC COOPERATIVE, INC.

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 32,641,727

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 1,829,612  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS ninth DAY OF

(SEAL)

MY COMMISSION EXPIRES

SIGNATURE OF OWNER OR OFFICIAL

(928) 368-5118

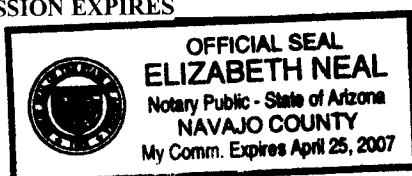
TELEPHONE NUMBER

COUNTY NAME  
NAVAJO

MONTH March

2004

SIGNATURE OF NOTARY PUBLIC



*Elizabeth Neal*

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

MAR 11 2004

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) N/A	
NAME (OWNER OR OFFICIAL)	TITLE
COMPANY NAME	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ N/A

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X N/A  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

--

DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	, 20

X  
SIGNATURE OF NOTARY PUBLIC

## **FINANCIAL INFORMATION**

Attach to this annual report a copy of the companies' year-end (Calendar Year 2003) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

- 1) PLEASE FIND ENCLOSED THE ANNUAL RUS FORM 7 FOR NAVOPACHE ELECTRIC COOPERATIVE, INC. THIS REPORT INCLUDES BOTH ARIZONA AND NEW MEXICO. ALSO, AN ESTIMATED ARIZONA-SPECIFIC OPERATING RESULTS.
- 2) PLEASE NOTE THESE ARE ESTIMATES ONLY OF THE ARIZONA-SPECIFIC OPERATING RESULTS OF NAVOPACHE ELECTRIC COOPERATIVE, INC. NAVOPACHE DOES NOT DISTINGUISH OR SEPARATE ARIZONA AND NEW MEXICO DATA.



ARIZONA ESTIMATE ONLY

	2003		
	balance sheet		ARIZONA
	item	SYSTEM	ESTIMATE
1	total utility plant	\$78,465,473	\$74,535,745
2	construction wip	\$2,125,836	\$1,914,017
3	total utility plant	\$80,591,309	\$76,449,762
4	depreciation & amort.	\$33,379,839	\$31,848,568
5	<b>net utility plant</b>	<b>\$47,211,470</b>	<b>\$44,601,194</b>
8	Invest. in Asso. Org. patronage	\$314,664	\$306,235
9	Invest. in Assoc. org. other general	\$91,180	\$86,734
10	Invest. in Assoc. org. other non-general	\$1,356,766	\$1,290,608
12	other investments	\$73,608	\$73,608
13	special funds	\$0	\$0
14	<b>total other property &amp; investments</b>	<b>\$1,836,218</b>	<b>\$1,757,185</b>
15	cash - general funds	\$108,989	\$100,999
16	cash construction funds	\$5	\$5
17	special deposits	\$54,646	\$54,646
18	temporaty investments	\$3,450,074	\$3,281,844
19	notes receivable - net	\$9,455	\$9,035
20	accounts receivable net	\$2,412,421	\$2,305,146
21	accounts receivable net other	\$124,835	\$119,284
22	materials and supplies	\$1,937,464	\$1,899,379
23	prepayments	\$202,514	\$193,163
24	other current and accrued assets	\$164,113	\$156,111
25	<b>total current and accrued assets</b>	<b>\$8,464,516</b>	<b>\$8,119,611</b>
	deferred debits	\$94,630	\$90,016
29	<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	<b>\$57,606,834</b>	<b>\$54,568,006</b>
30	memberships	\$139,920	\$132,359
31	patronage capital	\$11,942,588	\$10,692,137
33	operating margins	(\$2,302,161)	(\$1,895,514)
34	non-operating margins	(\$31,242)	(\$32,995)
35	other margins & equities	\$785,121	\$750,208
	<b>total margins and equities</b>	<b>\$10,534,226</b>	<b>\$9,646,196</b>
37	long-term debt REA	\$26,109,669	\$24,836,531
40	long-term debt other	\$10,847,312	\$10,318,384
	<b>total long term debt</b>	<b>\$36,956,981</b>	<b>\$35,154,915</b>
43	accumulated operating provisions	\$568,686	\$540,956
44	<b>total other noncurrent liabilities</b>	<b>\$568,686</b>	<b>\$540,956</b>
45	notes payable	\$0	\$0
46	accounts payable	\$1,898,239	\$1,838,363
47	customer deposits	\$342,495	\$327,265
51	other current & accrued liaibilities	\$1,086,917	\$1,050,086
48	current maturties long term debt	\$2,145,192	\$2,040,590
	<b>total current &amp; accrued liabilities</b>	<b>\$5,472,843</b>	<b>\$5,256,304</b>
54	deferred credits	\$4,074,098	\$3,969,636
	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	<b>\$57,606,834</b>	<b>\$54,568,006</b>

Navopache Electric Cooperative, Inc.  
ACC Utilities Division

**ARIZONA ESTIMATE ONLY**

		2003	
	statement of operations		ARIZONA
	item	SYSTEM	ESTIMATE
1	operating revenue	\$31,772,264	\$30,812,114
3	cost of power	\$15,167,774	\$14,726,338
4	transmission expense	\$164,410	\$148,511
5	dist expense - operations	\$2,739,909	\$2,474,943
6	dist expense - maintenance	\$1,736,457	\$1,568,531
7	consumer accounts expense	\$2,239,000	\$2,139,436
8	customer service & info.	\$317,302	\$303,192
9	sales expense	\$130,654	\$124,844
10	administrative & general	\$3,290,577	\$3,144,252
11	<b>TOTAL OPERATIONS</b>	<b>\$25,786,083</b>	<b>\$24,630,048</b>
12	depreciation & amortization	\$2,547,181	\$2,422,977
13	tax expense - property	\$21,228	\$20,284
14	tax expense - other	\$26,301	\$25,570
15	interest expense long term	\$1,463,373	\$1,392,017
17	interest expense other	\$129,855	\$124,081
18	other deductions	\$174,352	\$166,599
19	<b>COST OF ELECTRIC SERVICE</b>	<b>\$30,148,373</b>	<b>\$28,781,576</b>
20	<b>OPERATING MARGINS</b>	<b>\$1,623,891</b>	<b>\$2,030,538</b>
21	non-operating margins interest	\$64,950	\$61,783
	non-operating margins	(\$96,193)	(\$91,916)
25	G&T capital credits	\$0	\$0
26	other capital credits	\$58,722	\$55,859
27	extraordinary items	\$0	\$0
28	<b>MARGINS</b>	<b>\$1,651,370</b>	<b>\$2,056,264</b>
	TIER	2.13	2.48

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

BORROWER DESIGNATION

AZ0013

PERIOD ENDED

12/2003

**FINANCIAL AND STATISTICAL REPORT**

BORROWER NAME AND ADDRESS

Navopache Electric Cooperative, Inc.

1878 West White Mountain Blvd HWY 260

Lakeside, AZ 85929-

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

*(check one of the following)*

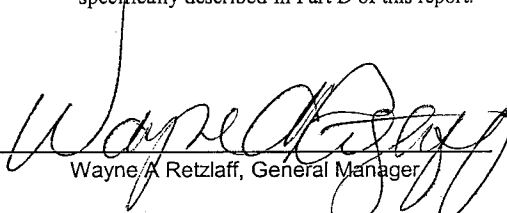
☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

  
Paul O'Dair, Manager of Financial Services

02/02/2004

DATE

  
Wayne A. Retzlaff, General Manager

02/02/2004

DATE

USDA-RUS <b>FINANCIAL AND STATISTICAL REPORT</b>		BORROWER DESIGNATION AZ0013		
INSTRUCTIONS-See RUS Bulletin 1717B-2		PERIOD ENDED 12/2003		
<b>Part A. Statement of Operations</b>				
ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)	Year-to-date Budget (c)	This Month (d)
1. Operating Revenue and Patronage Capital	26,648,498	31,772,264	27,311,724	2,928,700
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	11,097,291	15,167,774	11,828,298	1,490,716
4. Transmission Expense	232,169	164,410	158,288	12,636
5. Distribution Expense - Operation	2,347,689	2,739,909	2,394,708	305,758
6. Distribution Expense - Maintenance	1,323,338	1,736,457	1,269,545	202,597
7. Customer Accounts Expense	2,020,994	2,239,000	2,221,341	231,149
8. Customer Service and Informational Expense	276,890	317,302	331,244	36,001
9. Sales Expense	146,291	130,654	153,909	14,897
10. Administrative and General Expense	2,910,855	3,290,577	3,156,528	232,772
11. Total Operation & Maintenance Expense (2 thru 10)	20,355,517	25,786,083	21,513,861	2,526,526
12. Depreciation and Amortization Expense	2,507,994	2,547,181	2,630,006	212,977
13. Tax Expense - Property & Gross Receipts	20,299	21,228	13,993	0
14. Tax Expense - Other	17,206	26,301	19,517	0
15. Interest on Long-Term Debt	1,503,660	1,463,373	2,011,103	119,459
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	319,572	129,855	29,679	2,025
18. Other Deductions	78,407	174,352	87,510	431
19. Total Cost of Electric Service (11 thru 18)	24,802,655	30,148,373	26,305,669	2,861,418
20. Patronage Capital & Operating Margins (1 minus 19)	1,845,843	1,623,891	1,006,055	67,282
21. Non Operating Margins - Interest	73,309	64,950	71,683	6,906
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	( 194,848)	( 96,193)	( 135,060)	( 4,454)
25. Generation and Transmission Capital Credits	60,298	58,722	62,867	0
26. Other Capital Credits and Patronage Dividends	0	0	0	0
27. Extraordinary Items	( 408,649)	0	0	0
28. Patronage Capital or Margins (20 thru 27)	1,375,953	1,651,370	1,005,545	69,734
<b>Part B. Data on Transmission and Distribution Plant</b>				
ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)		
1. New Services Connected	1,150	1,360		
2. Services Retired	1,985	139		
3. Total Services in Place	34,861	36,082		
4. Idle Services (Exclude Seasonal)	1,839	2,064		
5. Miles Transmission	229.00	229.00		
6. Miles Distribution - Overhead	2,459.00	2,499.00		
7. Miles Distribution - Underground	326.00	346.00		
8. Total Miles Energized (5 + 6 + 7)	3,014.00	3,074.00		

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ0013	
INSTRUCTIONS-See RUS Bulletin 1717B-2		PERIOD ENDED 12/2003	
<b>Part C. Balance Sheet</b>			
<b>ASSETS AND OTHER DEBITS</b>		<b>LIABILITIES AND OTHER CREDITS</b>	
1. Total Utility Plant in Service	78,465,473	29. Memberships	139,920
2. Construction Work in Progress	2,125,836	30. Patronage Capital	11,942,588
3. Total Utility Plant (1 + 2)	80,591,309	31. Operating Margins - Prior Years	( 3,984,773)
4. Accum. Provision for Depreciation and Amort.	33,379,839	32. Operating Margins - Current Year	1,682,612
5. Net Utility Plant (3 - 4)	47,211,470	33. Non-Operating Margins	( 31,242)
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	785,121
7. Investments in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34)	10,534,226
8. Invest. in Assoc. Org. - Patronage Capital	314,664	36. Long-Term Debt - RUS (Net)	26,109,669
9. Invest. in Assoc. Org. - Other - General Funds	91,180	(Payments - Unapplied)	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,356,766	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	0	38. Long-Term Debt - FFB - RUS Guaranteed	0
12. Other Investments	73,608	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	10,847,312
14. Total Other Property & Investments (6 thru 13)	1,836,218	41. Total Long-Term Debt (36 thru 40)	36,956,981
15. Cash - General Funds	108,989	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	5	43. Accumulated Operating Provisions and Asset Retirement	
17. Special Deposits	54,646	Obligations	568,686
18. Temporary Investments	3,450,074	44. Total Other Noncurrent Liabilities (42 + 43)	568,686
19. Notes Receivable (Net)	9,455	45. Notes Payable	0
20. Accounts Receivable - Sales of Energy (Net)	2,412,421	46. Accounts Payable	1,898,239
21. Accounts Receivable - Other (Net)	124,835	47. Consumers Deposits	342,495
22. Materials and Supplies - Electric & Other	1,937,464	48. Current Maturities Long-Term Debt	2,145,192
23. Prepayments	202,514	49. Current Maturities Long-Term Debt-Economic	
24. Other Current and Accrued Assets	164,113	Development	0
25. Total Current and Accrued Assets (15 thru 24)	8,464,516	50. Current Maturities Capital Leases	0
26. Regulatory Assets	0	51. Other Current and Accrued Liabilities	1,086,917
27. Other Deferred Debits	94,630	52. Total Current & Accrued Liabilities (45 thru 51)	5,472,843
28. Total Assets and Other Debits (5+14+25 thru 27)	57,606,834	53. Regulatory Liabilities	0
		54. Other Deferred Credits	4,074,098
		55. Total Liabilities and Other Credits (35+ 41 + 44 + 52 thru 54)	57,606,834

USDA-RUS		BORROWER DESIGNATION			
FINANCIAL AND STATISTICAL REPORT		AZ0013			
		PERIOD ENDED			
INSTRUCTIONS-See RUS Bulletin 1717B-2		12/2003			

Part E. Changes in Utility Plant					
PLANT ITEM	Balance Beginning of Year	Additions	Retirements	Adjustments and Transfers	Balance End of Year
Distribution Plant	57,812,053	4,342,954	1,452,181	0	60,702,826
General Plant	8,364,004	547,748	270,593	0	8,641,159
Headquarters Plant	1,585,956	11,291	3,031	0	1,594,216
Intangibles	228,075	0	0	0	228,075
Transmission Plant	6,448,611	219,891	39,973	0	6,628,529
All Other Utility Plant	224,077	446,591	0	0	670,668
Total Utility Plant in Service (1 thru 6)	74,662,776	5,568,475	1,765,778	0	78,465,473
Construction Work in Progress	3,995,412	( 1,869,576)			2,125,836
TOTAL UTILITY PLANT (7 + 8)	78,658,188	3,698,899	1,765,778	0	80,591,309

Part F. Materials and Supplies							
ITEM	Balance Beginning of Year (a)	Purchased (b)	Salvaged (c)	Used (Net) (d)	Sold (e)	Adjustment (f)	Balance End of Year (g)
1. Electric	1,844,858	1,883,194	48,614	1,700,200	19,334	( 172,176)	1,884,956
2. Other	4,322	267,809	0	0	220,549	926	52,508

Part G. Service Interruptions					
ITEM	Avg. Hours per Consumer by Cause  Power Supplier (a)	Avg. Hours per Consumer by Cause  Extreme Storm (b)	Avg. Hours per Consumer by Cause  Prearranged (c)	Avg. Hours per Consumer by Cause  All Other (d)	TOTAL (e)
1. Present Year	0.63	1.47	0.06	1.48	3.64
2. Five-Year Average	0.48	0.96	0.14	2.04	3.62

Part H. Employee-Hour and Payroll Statistics	
	Amount
1. Number of Full Time Employees	108
2. Employee - Hours Worked - Regular Time	223,455
3. Employee - Hours Worked - Overtime	10,232
4. Payroll - Expensed	4,295,703
5. Payroll - Capitalized	1,311,650
6. Payroll - Other	773,514

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Part I. Patronage Capital			
ITEM	DESCRIPTION	This Year (a)	Cumulative (b)
1. Capital Credits Distributions	a. General Retirements	0	2,654,881
	b. Special Retirements	81,611	1,084,206
	c. Total Retirements (a + b)	81,611	3,739,087
2. Capital Credits Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	0	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	0	
	c. Total Cash Received (a + b)	0	
Part J. Due from Consumers for Electric Service			
			Amount
1. AMOUNT DUE OVER 60 DAYS			36,123
2. AMOUNT WRITTEN OFF DURING YEAR			79,766

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Part K. kWh Purchased and Total Cost							
Line No.	ITEM (a)	RUS Use Only Supplier Code (b)	kWh Purchased (c)	Total Cost (d)	Average Cost (Cents/kWh) (e)	Included in Total Cost  Fuel Cost Adjustment (f)	Included in Total Cost Wheeling and Other Charges (or credits) (g)
1	Public Service Company of NM	15473	378,806,873	15,247,338	4.03	0	0
2	*Adjustments	600000	0	( 79,564)	0.00	0	0
3		0	0	0	0.00	0	0
4		0	0	0	0.00	0	0
5		0	0	0	0.00	0	0
6		0	0	0	0.00	0	0
7		0	0	0	0.00	0	0
8		0	0	0	0.00	0	0
9		0	0	0	0.00	0	0
10		0	0	0	0.00	0	0
11		0	0	0	0.00	0	0
12		0	0	0	0.00	0	0
13		0	0	0	0.00	0	0
14		0	0	0	0.00	0	0
15		0	0	0	0.00	0	0
16		0	0	0	0.00	0	0
17		0	0	0	0.00	0	0
18		0	0	0	0.00	0	0
19		0	0	0	0.00	0	0
20		0	0	0	0.00	0	0
<b>Total</b>			378,806,873	15,167,774	4.00	0	0



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**Part L. Long Term Leases**

Name of Lessor (a)	Type of Property (b)	Rental This Year (c)
City of Springerville	land	75
Phillip Swapp	land	1,000
Jeanne Hatch	land	3,600
Evelyn Jefferies	land	3,600
Jefferson Larson	land	7,200
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
Total		15,475

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Part M. Annual Meeting and Board Data

1. Date of Last Annual Meeting 09/06/2003	2. Total Number of Members 27,984	3. Number of Members Present at Meeting 276	4. Was Quorum Present (Y/N) ? Y
5. Number of Members Voting by Proxy or Mail 6,662	6. Total Number of Board Members 8	7. Total Amount of Fees and Expenses for Board Members 141,205	8. Does Manager Have Written Contract (Y/N) ? N

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## Part N. Long-Term Debt and Debt Service Requirements

ITEM	Balance End of Year	Billed This Year	Billed This Year	Billed This Year
	(a)	Interest (b)	Principal (c)	Total (d)
Rural Utilities Service (Excludes RUS - Economic Development Loans)	26,109,669	1,123,587	645,566	1,769,153.00
National Rural Utilities Cooperative Finance Corporation	10,847,312	339,786	603,002	942,788.00
Bank for Cooperatives	0	0	0	0.00
Federal Financing Bank	0	0	0	0.00
RUS - Economic Development Loans	0	0	0	0.00
Other (List Separately)	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
	0	0	0	0.00
TOTAL	36,956,981	1,463,373	1,248,568	2,711,941.00

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<b>Part O. Power Requirements Data Base - Annual Summary</b>				
CLASSIFICATION	Consumer Sales & Revenue Data	December (a)	Average No. Consumers Served (b)	Total Year to Date (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	19,464	19,659	
	b. kWh Sold			148,320,723
	c. Revenue			13,713,771
2. Residential Sales - Seasonal	a. No. Consumers Served	11,388	10,789	
	b. kWh Sold			37,824,868
	c. Revenue			4,870,598
3. Irrigation Sales	a. No. Consumers Served	56	114	
	b. kWh Sold			6,502,714
	c. Revenue			541,703
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	3,313	3,228	
	b. kWh Sold			127,671,282
	c. Revenue			9,965,611
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	5	5	
	b. kWh Sold			32,954,801
	c. Revenue			1,836,256
6. Public Street & Highway Lighting	a. No. Consumers Served	23	23	
	b. kWh Sold			923,903
	c. Revenue			73,578
7. Other Sales to Public Authorities	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
8. Sales for Resales - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10. TOTAL No. of Consumers (lines 1a thru 9a)		34,249	33,818	
11. TOTAL kWh Sold (lines 1b thru 9b)				354,198,291
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				31,001,517
13. Other Electric Revenue				770,746
14. kWh - Own Use				995,392
15. TOTAL kWh Purchased				378,806,873
16. TOTAL kWh Generated				0
17. Cost of Purchases and Generation and Transmission Expense				15,332,184
18. Interchange - kWh - Net				0
19. System Peak - Sum Annual Peak kW Input from all Sources (Metered)				64,599
Non-coincident _____ Coincident <u>  X  </u>				

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7a - Part I. Investments					
Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
<b>2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS</b>					
1	CFC Patronage Capital	287,361	0	58,722	
2	ERMCO Patronage Capital	26,066	0	0	
3	NISC patronage Capital	871	0	0	
4	Touch Stone	366	0	0	
5	Federated Equity	90,980	0	7,436	
6	ERMCO Membership	100	0	0	
7	GCSECA Membership	100	0	0	
8	CFC Capital Term Certificates	0	1,356,766	0	
<b>Total: 2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS</b>		<b>405,844</b>	<b>1,356,766</b>	<b>66,158</b>	
<b>4. OTHER INVESTMENTS</b>					
9	RUS-ERC Weatherization loans	73,608	0	3,184	
<b>Total: 4. OTHER INVESTMENTS</b>		<b>73,608</b>	<b>0</b>	<b>3,184</b>	
<b>6. CASH - GENERAL</b>					
10	BankOne cash general	34,725	0		
11	Wells Fargo cash general	23,163	0		
12	Bank One capital credits	1,892	0		
13	BankOne cash payroll	998	0		
14	Catron cash general	6,178	0		
15	BankOne 125 MRB	215	0		
16	Community First cash general	39,317	0		
<b>Total: 6. CASH - GENERAL</b>		<b>108,988</b>	<b>0</b>		
<b>10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT</b>					
17		0	0		
<b>Total: 10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT</b>		<b>0</b>	<b>0</b>		
<b>6. CASH - GENERAL</b>					
18	NRC working funds	2,500	0		
<b>Total: 6. CASH - GENERAL</b>		<b>108,988</b>	<b>0</b>		
<b>7. SPECIAL DEPOSITS</b>					
19	Arizona Corporation Commission EPS	54,646	0		
<b>Total: 7. SPECIAL DEPOSITS</b>		<b>54,646</b>	<b>0</b>		
<b>8. TEMPORARY INVESTMENTS</b>					
20	BankOne Trust	0	3,450,074		
<b>Total: 8. TEMPORARY INVESTMENTS</b>		<b>0</b>	<b>3,450,074</b>		
<b>9. ACCOUNTS &amp; NOTES RECEIVABLE - NET</b>					
21	Notes Receivable	9,455	0	897	
22	Accounts Receivable Other	124,835	0	0	
<b>Total: 9. ACCOUNTS &amp; NOTES RECEIVABLE - NET</b>		<b>134,290</b>	<b>0</b>	<b>897</b>	
23					
24					
25					

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Line No.	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income or Loss (\$) (d)	Rural Development (e)
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59					
60					

11. TOTAL INVESTMENTS	777,376	4,806,840	70,239	
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**7a - Part II. Loan Guarantees/Part III. Ratio**

Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1			0	0	
2			0	0	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
TOTALS			0	0	
TOTAL (included Loan Guarantees only)			0	0	

Ratio of Investments and Loan Guarantees to Utility Plant [Total of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)]

0.9 %

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7a - Part IV. Loans

Line No.	Organization (a)	Maturity date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
1	Employees, Officers, Directors		19,780	9,445	
2	Energy Resource Conservation Loans		176,051	73,608	
3			0	0	
4			0	0	
5			0	0	
6			0	0	
7			0	0	
8			0	0	
9			0	0	
10			0	0	
11			0	0	
12			0	0	
13			0	0	
14			0	0	
15			0	0	
TOTALS			195,831	83,053	